

**Government of the District of Columbia
Office of the Chief Financial Officer**

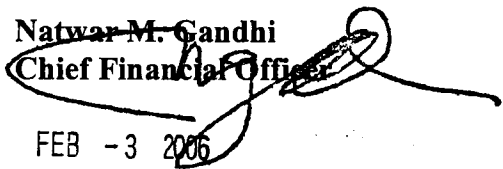


Natwar M. Gandhi
Chief Financial Officer

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MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: ~~Natwar M. Gandhi~~
Chief Financial Officer 

DATE: FEB - 3 2006

SUBJECT: Fiscal Impact Statement: "School Without Walls Development Project
Emergency Amendment Act of 2006"

REFERENCE: Proposed Legislation to be Introduced – No Number Available

Conclusion

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan of the District of Columbia Public School System (DCPS) to implement the proposed legislation. No additional staff or resources will be required to implement the proposed legislation and the proposed agreement between DCPS and the George Washington University.

Background

The proposed legislation approves the execution of a Memorandum of Understanding (MOU) between DCPS and the George Washington University (GWU). The DCPS School Without Walls (SWW) current site comprises 29,773 square feet at 2130 G Street, N.W., identified as Square 80, Lot 29. The improvements are 21,173 square feet on G Street which is the school building and adjoining land, and 8,600 square feet on F Street which is currently a parking lot.

The development of a new SWW school building would be constructed pursuant to a public/private development partnership funded by monies received from GWU for property and density rights. By agreement, any funding shortfalls for the proposed initiative would come from DCPS. DCPS under

the proposed agreement with GWU would sell the 8,600 square feet found in the parking lot on F Street, along with the excess development rights not required for SWW and designated surplus by the District, for the development of a new GWU residence hall and possibly academic space on the parking lot site and GWU's contiguous 15,979 square feet currently used as tennis courts.

GWU would purchase from DCPS no less than 122,000 square feet of density rights up to a maximum of 143,000 square feet. The MOU requires the fair market value of the transferred density to reflect the development of an approximately 125,000 square foot residential project as opposed to the value of just an 8,600 development site with limited street frontage. The fair market value was established by two independent appraisals of the site which were averaged.

The purchase price would be increased if approval from the D.C. Zoning Commission is obtained for a building in excess of 90 feet, or if GWU desires to incorporate additional contiguous parcels to its development. The purchase price would be \$93.75 per square foot of additional density rights approved. GWU and DCPS have reached agreement on certain parking issues. GWU will underwrite and fund the entitlement process and preliminarily is expecting to seek re-zoning. The expected entitlement, planning and construction process will be approximately 36 months to complete.

Financial Plan Impact

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan for DCPS. No additional staff or resources will be required to implement the provisions of the proposed legislation.

Exhibit "C" of the proposed agreement indicates a \$6.0 million shortfall which would be the responsibility of DCPS. DCPS has encumbered this amount and has sufficient resources in the DCPS Capital Improvement Plan for the purpose of supporting the proposed initiative.